

**STATE OF NEVADA**  
**DEPARTMENT OF BUSINESS AND INDUSTRY**  
**DIVISION OF MORTGAGE LENDING**

In re:

Phyllis Hilsabeck,

Respondent.

**NOTICE OF INTENT TO IMPOSE FINE**  
**AND NOTICE OF RIGHT TO REQUEST HEARING**

The licensing and regulation of mortgage brokers, mortgage bankers and escrow agencies in the State of Nevada is governed by Chapter 645B, Chapter 645E and Chapter 645A, respectively, of the Nevada Revised Statutes (hereinafter "NRS"), and Chapter 645B, Chapter 645E and Chapter 645A, respectively, of the Nevada Administrative Code (hereinafter "NAC"). The State of Nevada, Department of Business and Industry, Division of Mortgage Lending (hereinafter the "Division") has the general duty to exercise supervision and control over mortgage brokers, mortgage bankers and escrow agencies pursuant to these chapters. Pursuant to that authority, the Division makes the following Factual Allegations, Violations of Law, and Order, as follows:

**FACTUAL ALLEGATIONS**

1. Castle & Cooke Mortgage, LLC ("Castle & Cooke") is a foreign limited liability company. Currently, Castle & Cooke's status with the Nevada Secretary of State is "active."

2. Castle & Cooke was issued a mortgage broker license on November 14, 2008, pursuant to Chapter 645B of NRS. Currently, Castle & Cooke's status with the Division is

1 "active."

2 3. Based upon information and belief, at all relevant times herein mentioned,  
3 Castle & Cooke conducted mortgage lending activity out of its office located at 6900 Westcliff  
4 Drive, 8<sup>th</sup> Floor, Las Vegas, Nevada 89145

5 4. Phyllis Hilsabeck ("Respondent") was initially registered with the Financial  
6 Institutions Division on July 16, 2001, and was subsequently licensed by the Division as a  
7 mortgage agent (License No. 16216) pursuant to Chapter 645B of NRS.

8 5. On October 20, 2009, Respondent's mortgage agent license was cancelled for  
9 failure to renew, pursuant to NRS 645B.430(2).

10 6. Respondent's status with the Division was "license cancelled" continuously from  
11 October 20, 2009 to December 18, 2009. Currently, Respondent's status with the Division is  
12 "active."

13 7. At all relevant times herein mentioned, Respondent was associated with, or  
14 employed by, Castle & Cooke as a mortgage agent and conducted mortgage lending activity  
15 relating to properties in Nevada on its behalf.

16 8. Pursuant to NRS 645B.400, "[a] person shall not act as or provide any of the  
17 services of a mortgage agent or otherwise engage in, carry on or hold himself or herself out  
18 engaging in carrying on the activities of a mortgage agent unless the person has a license as  
19 a mortgage agent issued pursuant to NRS 645B.410."

20 9. Pursuant to NRS 645B.900, "[i]t is unlawful for any person to offer or provide any  
21 of the services of a mortgage broker or mortgage agent or otherwise to engage in, carry on or  
22 hold himself or herself out as engaging in or carrying on the business of a mortgage broker or  
23 mortgage agent without first obtaining the applicable license issued pursuant to this chapter,  
24 unless the person 1. [i]s exempt from the provisions of this chapter; and 2. [c]omplies with the  
25 requirements for that exemption."

1           10. Pursuant to NRS 645B.060, with limited exception, the Division is charged with  
2 conducting "...an annual examination of each mortgage broker doing business in this  
3 State...." See, NRS 645B.060(2)(d).

4           11. Pursuant to NRS 645B.060, the Division commenced a regularly scheduled  
5 examination of Castle & Cooke's books and records on April 21, 2010 which revealed, among  
6 other things, that during the period when Respondent's mortgage agent license was cancelled  
7 (from October 20, 2009 to December 18, 2009), Respondent originated at least three (3)  
8 mortgage loans while associated with, or employed by, Castle & Cooke. Respondent's  
9 unlicensed mortgage agent activity included completing and executing Uniform Residential  
10 Loan Applications ("1003s") on October 21, 2009, November 11, 2009, and  
11 November 13, 2009 for borrowers JH, RP, and TB, respectively.  
12

13           12. Pursuant to NRS 645B.670, "[f]or each violation committed by a mortgage agent,  
14 the Commissioner may impose upon the mortgage broker an administrative fine of not more  
15 than \$25,000, may suspend, revoke or place conditions upon his license, or may do both, if  
16 the mortgage agent...[h]as violated any provision of this chapter, a regulation adopted  
17 pursuant to this chapter or an order of the Commissioner ..." See, NRS 645B.670(3)(k).  
18

### 19                                   VIOLATIONS OF LAW

20           The Division determined that during the period from October 20, 2009 to December 18,  
21 2009, when Respondent was unlicensed, Respondent originated at least three (3) mortgage  
22 loans while associated with, or employed by, Castle & Cooke, in violation of NRS 645B.900  
23 and NRS 645B.670(3)(k).  
24

### 25                                   ORDER

26           **NOW, THEREFORE, IT IS HEREBY ORDERED** that, pursuant to NRS 233B.121 and  
27 NRS 645B.750(2), NRS 645E.750(2) or NRS 645A.100(2), as applicable, upon the timely filing of  
28 an application with the Division within **twenty (20) days** of the date of this Order, Respondent

1 shall be entitled to a hearing with regard to the contents of this Order. At that hearing, the  
2 Division will seek:

3 a. The imposition of an administrative fine against Respondent in the amount of Seven  
4 Thousand Five Hundred Dollars and No Cents (\$7,500.00), payable to the Division on account  
5 of Respondent's violations of Chapter 645B of NRS, the Division's administrative costs in the  
6 amount of Three Hundred Dollars and No Cents (\$300.00) as well as the Division's attorney's  
7 fees, if any, incurred herein, each to be proven at the hearing or upon the filing of a proper  
8 affidavit; and

9 b. Respondent's payment, in full, of the administrative fine, costs and fees to the Division  
10 within **thirty (30) days** of entry of the Final Order.

11 Should Respondent request a hearing, Respondent is advised of the following:

12 a) Respondent is entitled to be represented by legal counsel at its own cost and expense; b) At  
13 any hearing Respondent shall be entitled to respond and to present evidence and argument on  
14 all issues involved; c) Requests may be made to the Commissioner for the issuance of  
15 subpoenas; however, the Commissioner may request the proposed testimony of any such  
16 person prior to the issuance of the subpoena; and d) Unless precluded by law, the parties may  
17 agree to an informal resolution or settlement prior to any hearing.  
18

19 Should Respondent not request a hearing within **twenty (20) days** of the date of this  
20 Order, the Division will enter a Final Order in this matter against Respondent, as otherwise  
21 required by law.  
22

23 Dated this 11<sup>th</sup> day of October, 2010.

24 State of Nevada  
25 Department of Business and Industry  
26 Division of Mortgage Lending

27 By: Joseph L. Waltuch  
28 Joseph L. Waltuch, Commissioner

**CERTIFICATE OF SERVICE**

I certify that I am an employee of the State of Nevada, Department of Business and Industry, Division of Mortgage Lending, and that on, October 12, 2010, I deposited in the U.S. mail, postage prepaid via First Class Mail and Certified Return Receipt Requested, a true and correct copy of the foregoing, NOTICE OF INTENT TO IMPOSE FINE AND NOTICE OF RIGHT TO REQUEST HEARING for PHYLLIS HILSABECK, addressed as follows:

Phyllis Hilsabeck  
Castle & Cooke Mortgage LLC  
6900 Westcliff Drive, Suite 800  
Las Vegas, NV 89145

Certified Receipt Number: 7008 1830 0002 7959 6540

Stacy Anderson  
Castle & Cooke Mortgage LLC  
2735 East Parley's Way #305  
Salt Lake City, UT 84109

Certified Receipt Number: 7008 1830 0002 7959 6557

Phyllis Hilsabeck  
9973 Bryce Rose Avenue  
Las Vegas, NV 89148

Certified Receipt Number: 7008 1830 0002 7959 6564

DATED this 11th day of October, 2010

By: Susan Slack  
Employee of the Division